

# EXHIBIT B

AGREEMENT

Between

WELCH FOODS INC.

and

GENERAL TEAMSTERS

Local Union No. 397, Erie, Pennsylvania

An Affiliate of the

International Brotherhood of Teamsters

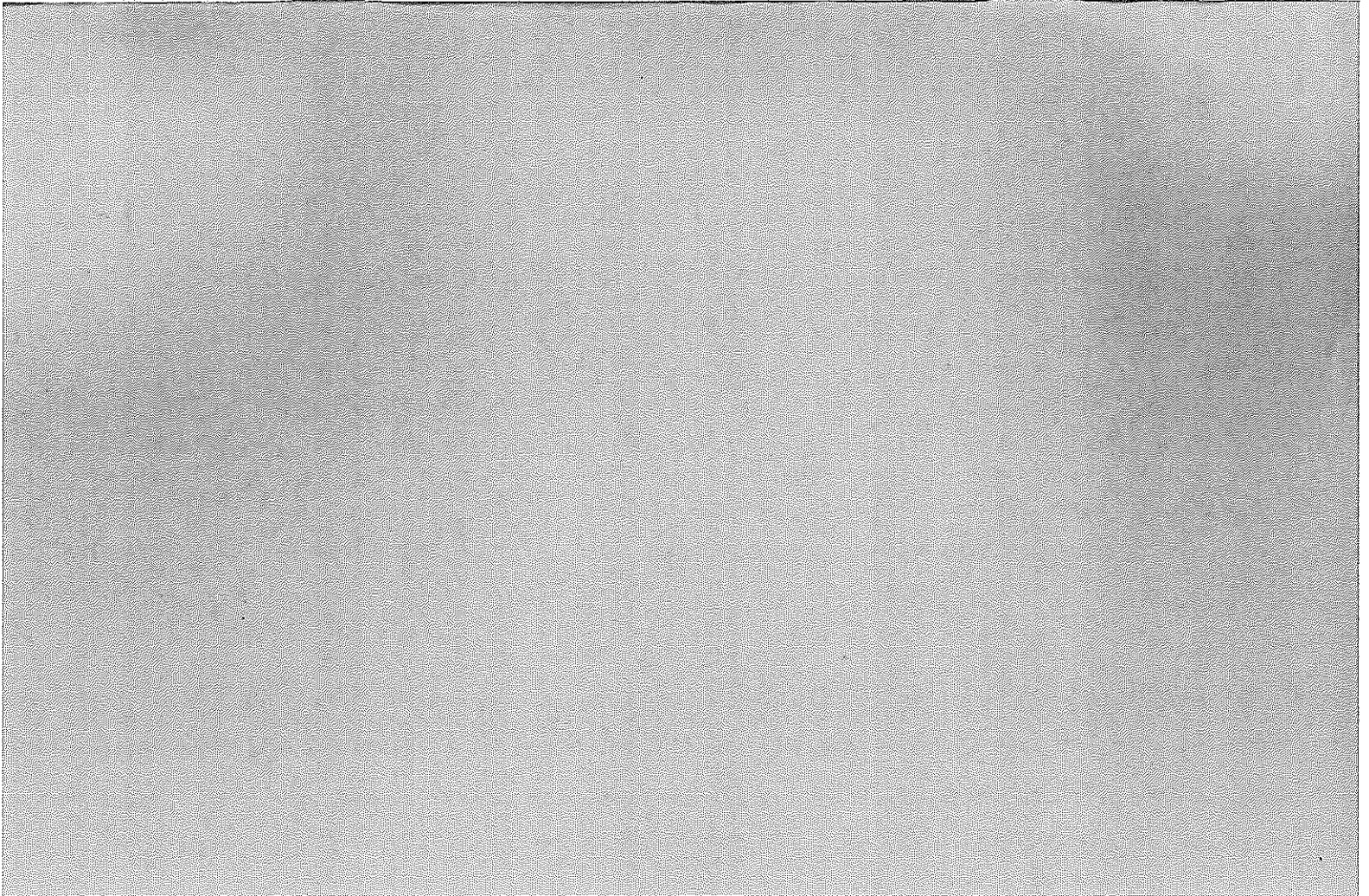
June 7, **2016**

to

June 6, **2020**

(North East Plant)

Words appearing in  
**BOLD FACE TYPE**  
indicate changes  
made as a result of  
2016 Contract negotiations



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## AGREEMENT

Agreement made this 7th day of June, 2016 by and between Welch Foods Inc., A Michigan Corporation, having its principal office at Westfield, New York, hereinafter referred to as the "Company" and the General Teamsters, Local Union No. 397, Erie, Pennsylvania, an affiliate of the International Brotherhood of Teamsters, hereinafter referred to as the "Union".

### ARTICLE I Recognition

The Company recognizes the Union as exclusive bargaining agency for all production, maintenance, shipping, receiving, processing and sanitation employees at the Company's plant at North East, Pennsylvania, excluding seasonal, probationary, confidential, supervisory and professional employees, guards, technical and engineering employees, General Foremen, Supervisors, Assistant Supervisors, Supervisor Trainees, Quality Assurance Manager, Plant Engineer, Human Resource Manager, production Superintendent, Director of Plant Operations and excluding all office and technical personnel, shipping clerk, cafeteria operator, and any and all other employees who are not production, maintenance, or shipping, receiving, processing and sanitation employees at the North East Plant. Employees on light duty status may be used on a temporary basis in Office & Technical positions.

### ARTICLE II Scope of Agreement

This Agreement applies only to those employees at the Company's plant at North East, Pennsylvania for whom the Union is recognized as the exclusive collective bargaining agency under the provisions of Article I of this Agreement.

### ARTICLE III Management

Section 1. Direction of Work Force: Subject to the provisions of this Agreement it is recognized that the operation of the plants and the direction of the work force therein, including the right to hire, suspend, lay-off, transfer, promote, and demote, discipline, and discharge employees as defined in Article I of this Agreement, are the function and responsibility of management.

Section 2. Business Operations: The Union also recognizes the right of the Company to establish, suspend or revise work schedules, to assign work shifts, and to determine the products to be manufactured, the scheduling of production and the methods, processes and means of manufacturing. All of the foregoing are the sole concern of the Company and subject to its exclusive discretion in the conduct of business operations.

Section 3. Discharge: The Company may discharge an employee for any reason which, in its judgment, is in the interests of the Company except Union activity. The discharge of an employee is subject to review in accordance with

the provisions of Article XII.

## ARTICLE IV Responsibility of the Parties

Section 1. Statement of Principles: The parties agree to work toward a strategic partnership creating a process of continuous improvement that will create a competitive advantage for the North East Plant in the industry.

Section 2. Provisions of Agreement: The Union, its officers and representatives and all employees are bound to observe the provisions of this Agreement. In addition to the responsibilities provided for in other provisions of this Agreement the following shall be observed:

- a) There shall be no lockouts by the Company.
- b) There shall be no strikes, work stoppages, slowdowns or interference with, or impeding of work by the Union or any employees.
- c) Neither the Union nor any employees shall be permitted to engage in any unauthorized Union activities (except pursuant to the grievance procedure provided for in Article XII of this Agreement) on Company time or Company property.
- d) The Union Business Representative or other Union Officers may visit the plant for pertinent Union business with prior notification to the Director of Plant Operations or his designated representative. It is agreed that the Business Representative or Officers will not interfere with plant operations during the visit.

Section 3. Bargaining Committee: The Union, in its collective bargaining negotiations with the Company, shall be represented by a Bargaining Committee consisting of no more than ten (10) members, the majority of whom shall be employees of the Company.

Section 4. Representatives: For the conduct of day-to-day relations at the plant, the Union may designate one Chief Steward for the entire collective bargaining unit and committee representatives for each of the departments listed below:

#### Unit I

a) Maintenance Department - One Committee Representative

#### Unit II

a) Receiving Department - One Committee Representative

b) Production Department - Four Committee Representatives (one of whom will have a 2nd/3rd or 3rd/2nd shift preference)

c) Processing Department - One Committee Representative

Section 5. Leaving Work Area: During working hours when it is necessary for the Chief Steward or Committee Representative to leave his or her work area to handle a grievance in accordance with the grievance procedure, the Chief Steward or Committee Representative will request permission from their Supervisor. At the Supervisor's request, sufficient time (not more than 15

minutes) will be allowed to get a replacement before leaving the job. The Chief Steward or Committee Representative will return to his or her job as promptly as possible, and upon returning, will immediately report to their Supervisor. The Chief Steward will be permitted to enter a Department other than his or her own upon notifying the Department Supervisor of his or her presence and purpose; however, the Committee Representatives' responsibilities shall be confined to the respective Departments from which they are selected. Outside of working hours the Chief Steward with permission may enter the plant to handle pertinent Union business and upon entering will notify a supervisor of his or her presence. The Union agrees there will be no abuse of this privilege.

#### ARTICLE V

##### Union Shop and Check-Off

Section 1. Union Membership: As a condition of employment, all employees covered by this Agreement shall become members of the Union no later than thirty-one (31) days after the effective date of this Agreement, or in the case of new employees, not later than thirty-one (31) days after the beginning of their regular or non-regular employment by the Company. Such employees shall be required to retain membership in the Union in good standing during the term of this Agreement. For purposes of this Agreement, regular and non-regular employment means employment during periods other than seasonal operations and an employee must have actively worked for thirty (30) working days within a one-hundred twenty (120) calendar day period prior to and subsequent to seasonal operations to be eligible for Union membership. If an employee does not complete thirty (30) working days during a one-hundred twenty (120) calendar day period as specified above, he or she will be removed from the payroll and if rehired will start as a new employee.

Section 2. Dues and Initiation Fee: The Company agrees to deduct current weekly dues and one initiation fee from the wages of employees for whom the Union is recognized as the sole collective bargaining agent provided such employees have authorized such deduction in writing in the form furnished by the Union.

Section 3. Deduction of Dues: A duly signed copy of each such written assignment shall be furnished to the Company. The Company shall commence to make deductions in accordance therewith on the first payday of the calendar month following the week in which such copy is received, and on each payday of each calendar month thereafter until the revocation of the written agreement. The Company will not make any deductions of dues for a fractional part of the week. All amounts deducted shall be remitted to the Secretary-Treasurer of the Union within fifteen (15) days after the last weekly installment of each month and the Secretary-Treasurer shall acknowledge receipt of the money in writing. The Company will deduct union dues from any paycheck that an employee receives.

Section 4. Indemnification: The Union agrees to indemnify and save

the Company harmless from any liability for or actions arising out of these deductions and commenced by any employee against the Company and assumes full responsibility for the disposition of the funds so deducted, once they have been turned over to the Secretary-Treasurer of the Union as above provided. Errors made by the Company in the deduction or remittance of monies under this Article shall not be considered by the Union as a violation of this Article or of this Agreement.

Section 5. Union Request of Discharge: Any request for the discharge of an employee pursuant to the provisions of this Article shall be made by the Union in writing to the Company, and shall be acted upon by the Company not less than ten (10) working days after the receipt of such written notice. The Union agrees that it will indemnify and hold the Company harmless against any and all liability which may result from the discharge of an employee under this Article pursuant to the request of the Union.

#### ARTICLE VI

##### Rates of Pay

Section 1. Effective Date: Effective June 6, 2016, the Company agrees to an increase of two percent (2%) per hour to the wages of all employees in all Job Grades. These rates, including this adjustment, shall be in effect for the period June 6, 2016, through June 4, 2017, and are listed in the Rate Schedule attached.

Effective June 5, 2017, the Company agrees to an increase of two percent (2%) per hour to the wages of all employees in all Job Grades. These rates, including this adjustment, shall be in effect for the period June 5, 2017, through June 10, 2018, and are listed in the Rate Schedule attached.

Effective June 11, 2018, the Company agrees to an increase of two percent (2%) per hour to the wages of all employees in all Job Grades. These rates, including this adjustment, shall be in effect for the period of June 11, 2018, through June 9, 2019, and are listed in the Rate Schedule attached.

Effective June 10, 2019, the Company agrees to an increase of two percent (2%) per hour to the wages of all employees in all Job Grades. These rates, including this adjustment, shall be in effect for the period of June 10, 2019, through June 6, 2020, and are listed in the Rate Schedule attached.

Section 2. Rate Schedule: Except as otherwise expressly provided in Section 3 of this Article, the regular rate of pay for work performed in each labor grade shall be the rate set forth in the Rate Schedule attached hereto as part hereof.

Section 3. Shift Differential: The regular rate of pay for second shift work will be thirty-five (\$35) cents per hour more than the rate specified in the Rate Schedule attached and forty-five (\$45) cents per hour more than the rate specified in the Rate Schedule attached for third shift work. For the purpose of payment of shift differential the following will apply:

First shift work is performed on a shift beginning at or after

down and initial assignments made. Any movement between seasonal and regular production will be at the discretion of the Company.

b) If an employee is assigned by the Company to seasonal operations during any week he or she will be allowed to displace either a non-union employee or the most junior regular employee for that weekend overtime.

c) All seasonal weekend overtime from the first day of season to the last day of season will be assigned to employees who are awarded seasonal jobs first. If employees are drafted into a seasonal operation or are scheduled in season because there is no work available in production, they will have the right to work weekend overtime by displacing the non-union employees or the most junior employees. They will be expected to perform the job of the employee displaced.

d) Employees who sign for seasonal work will be scheduled by plant seniority, skill and ability. Employees with not enough seniority to be awarded a seasonal job on any of the three shifts will be placed on a list and will have first preference for use as seasonal replacements after Grapelade employees. The bid system will not be used in scheduling seasonal operations.

e) Regular employees who do not sign for seasonal work will be offered seasonal weekend overtime before non-union employees. They will be expected to do the work of the displaced non-union employees.

f) Three (3) absences by an employee without providing an acceptable reason to the Company will result in disqualification from further seasonal assignment (including seasonal overtime) for that year and the employee will be reassigned to regular production status.

g) If a seasonal employee is required to work in production, the most junior person qualified will be forced. A qualified replacement for the seasonal job must be available.

h) Awarded Grapelade bid persons cannot bump on weekend overtime, but will be permitted to fill in positions ahead of a person who did not have the seniority to be awarded a seasonal job or a draftee.

i) Production employees who work seasonal overtime will not be considered a draftee for that week for the purpose of working weekend overtime in the seasonal operation.

j) Twenty-four (24) hour operations will be crewed by three (3) operators scheduled on eight (8) hour shifts or one shift of overtime. It is understood that this will not affect management's ability to split the open shift for the purpose of avoiding the need to schedule an employee on a double shift.

k) Seasonal overtime shall be offered to employees in the following order:

1. Awarded seasonal employee
2. Awarded Grapelade employee
3. Drafted employee on that week

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5:00 a.m. and prior to 12 noon.  
Second shift work is performed on a shift beginning at or after 12 noon and prior to 9:00 p.m.  
Third shift work is performed on a shift beginning at or after 9:00 p.m. and prior to 5:00 a.m.  
If an employee works two (2) complete shifts, he or she will be paid the appropriate rate for each shift worked.

Section 4. Reporting for Work: Any employee ordered to report for work without having been previously notified that no work is available, and who reports at the time specified by the Company, shall receive a minimum of four (4) hours pay at his or her average straight time earnings for the immediately preceding work day or shall be given four (4) hours of work and paid the prevailing rate for such work. This provision shall not apply in cases of emergency shut-down arising out of power failure, machinery breakdown or any other circumstances beyond the control of the Company.

Section 5. Emergency Work: Any employee ordered to report for emergency work during hours other than his or her regularly scheduled shift, and who receives such orders after having left the plant, shall receive a minimum of four (4) hours straight time pay at the prevailing hourly rate for the emergency work performed and shall not be required to perform other duties on an emergency call-in.

Section 6. Rate for the Day: Employees moved from jobs in one labor grade to jobs in another labor grade will receive as their rate for the day the job rate of the highest grade worked during the day.

Section 7. Protected Bid Rates: Employees maintaining a bid who are assigned to a lower grade job, at the request of the Company, will continue to receive their bid rate for the duration of such assignment.

Section 8. Direct Deposit: All employees hired on or after January 1, 2012 shall be required to sign up for direct deposit for weekly paychecks.

## ARTICLE VII

### Hours of Work and Overtime Compensation

Section 1. Work Week: Hours of work and overtime compensation shall be in conformity with the applicable Federal and State laws. The term "Work Week", for the purpose of defining the payroll period, shall mean a period of seven (7) consecutive days beginning at 12:01 a.m. Monday.

Section 2. Premium Pay: The premium pay shall be one-half the employees average straight time hourly rate for the workweek in which the overtime is worked.

### Section 3. Seasonal Operations:

- a) Employees will not be permitted to alternate between seasonal and regular production after the original sign-up sheet has been taken

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#### 4. Production employee

Seasonal employees must take seasonal overtime first, if available, before moving to production overtime. An awarded seasonal employee who accepts an overtime position in production for the day will not be moved back to season to fill a call-off vacancy unless the move is made to avoid forced overtime.

Section 4. Regular Overtime: Time and one-half shall be paid for all hours worked in excess of eight (8) hours in any one work day and for all hours worked in excess of forty (40) straight time hours in any one work week. There shall be no overtime on overtime.

- a) Employees will be paid time and one-half for work performed on Saturday and double time for work performed on Sunday.
- b) Employees who are scheduled on jobs which operate on a continuous shift basis, Monday to Sunday inclusive, such as Fireman-Watchman, will be paid time and one-half for work performed on the sixth day and double time for work performed on the seventh day. The sixth and seventh day are determined by the starting day of their five (5) day work schedule.

Employees forced to work over twelve (12) hours a day will receive double time for the hours over twelve (12). This payment will not be applied when forced hours result from an absentee replacement or when the Company attempted to recall an employee/employees from layoff status and they are unavailable. Prior to forcing employees to work an overtime shift, employees willing to work (whose shift overlaps not more than one (1) hour) will be permitted to work the overtime.

Section 5. Scheduling Regular Overtime: Except during seasonal operations, overtime will be performed in accordance with seniority and the employee's ability to perform the work required as follows:

- a) Daily overtime will be performed by the employees assigned to the available jobs through the normal scheduling procedure. Senior employees will be permitted to displace junior employees for any overtime hours. The Company will not pay employees for any waiting period which may be necessary prior to scheduling the overtime hours. Employees required by the employer to work overtime shall be paid for all time including any necessary waiting time in the plant.
- b) Weekend overtime will be by plant seniority, skill and ability. Bids will not apply for weekend overtime. Line integrity will not apply during the performance of weekend production.

#### Weekend Scheduling Procedure

There will be two sign up lists posted, one for Saturday work and one for Sunday work. The lists will be posted on the wall outside of the Human Resource Office. The sign up list for the maintenance department will be posted outside the maintenance shop. (Current location)

The lists will be posted after the 9:30 a.m. production meeting Tuesday and will be removed Thursday morning each week at 9 a.m.

Drafted employees will not be permitted to bump any employee who has signed the volunteer list.

#### Saturday Schedule

Volunteers will be scheduled first, based on their seniority, skill and ability, shift preference.

Eight hour shift volunteers will be scheduled first, followed by double shift volunteers. (Employees who sign for a double shift will have their first eight hours scheduled. Their second eight hours will be scheduled by preference, if available, after all volunteers have been scheduled for eight hours.)

The remaining open positions will be filled by drafting employees in reverse seniority order and then that group of employees will be scheduled based on seniority, skill and ability.

Employees drafted who have signed the If-Drafted List will have their scheduling preferences honored if their seniority and skill & ability permit.

Employees drafted who do not sign the If-Drafted List will have their declared shift preference/start time honored if their seniority, skill and ability permit. (General Labor jobs with an earlier start time will be filled by senior employees on weekends.)

#### Sunday Schedule

The Sunday schedule will be completed per the Weekend Scheduling Procedure above with the exception that drafted employees if necessary will be scheduled from the most junior employee who did not volunteer or was drafted to work on Saturday and continuing until all positions are filled.

#### Miscellaneous

- This process will be completed every weekend and drafting will begin again with the most junior employee on each Saturday.
- The Company will take immediate steps to establish and maintain an adequate list of qualified employees to assure no employee will be mandated to work both Saturday and Sunday in any one week. This may result in a bid posting, non-bid posting or a bid assignment to a general labor employee. Training opportunities will be based on seniority, and skill and ability. The employees selected for these training positions and bids must be reasonably

expected to relieve the weekend scheduling issues being addressed. Any issues with the awarding of these positions will be referred to the labor management committee for resolution. If the labor management committee is unable to resolve the issue, it will be subject to the grievance procedure.

- If employees are on Vacation, Personal Holiday, an Earned Overtime Day on a Friday, or any excused day they cannot be mandated to work the weekend. They are allowed to sign to work.
- The Company will endeavor to post the weekend schedule by 5:00 pm on Thursday of each week, if not earlier. Additionally, the final schedule will be posted to a secure website, no later than 8:00 pm, for all employees to view. This website will be developed within 90 days following ratification of the new agreement.
- If part-time employees are utilized in any way on the weekend schedule it will be in accordance with the Memorandum of Agreement on Part-Time Employees in the collective bargaining agreement.

Employees who sign for weekend overtime, are assigned a position, and call off twice in sixty (60) days, cannot sign for weekend overtime for sixty (60) days, but remain eligible for drafting.

- c) Senior employees will have the option to work scheduled overtime. Scheduled overtime will be filled using volunteers from the overtime sign-up sheets first. This will be part of the normal daily scheduling process. Once an employee signs for overtime and is assigned a position on the schedule, s/he will be committed to working that overtime and will not be called with the option to decline working it. Employees who are required to work scheduled overtime shall be utilized by reverse seniority and qualifications.
- d) Acceptance of an overtime assignment prior to the beginning of an employee's regularly scheduled shift will not affect such employee's regularly scheduled shift. The employee will still be required to work their regularly scheduled shift, and they will not be subject to being bumped by any other employee. This does not apply to employees who sign the absentee replacement list for shift preference change only, since they are making a shift change and are not guaranteed their regular shift.
- e) Employees who volunteer or are assigned to an overtime assignment after the conclusion of their regularly scheduled shift will be required to accept an overtime position with a start time that coincides with their regularly scheduled shift's end time. If there are no overtime opportunities available at an employee's end time, the employee will have the option of accepting an overtime position that begins after

their end time or to back up to the overtime position that falls closest to their end time.

- f) If the Company attempts to contact an employee to offer them overtime within two (2) hours of the start time of the overtime opportunity, and has made two unsuccessful attempts in at least a 10-minute period, such employee will not have any right to work that overtime opportunity if the Company has already filled the opening with a junior employee. The senior employee will, however, be offered any remaining unfilled vacancies that they are qualified to work. If any employee who signed is not scheduled for overtime and an overtime position later becomes available, the employee must decide within fifteen (15) minutes if they are going to accept the overtime position or the next senior employee will be eligible for the overtime.

Section 6. Rest Periods: Each employee shall be allowed a twenty (20) minute rest period, including travel time, at such time as may be designated by the Company for each four (4) hours of work performed by such employee in any work day.

Section 7. Lunch Periods:

- a) All employees whose lunch periods are interrupted by emergency work on the packaging lines shall be paid for the time worked during their lunch period or provided relief on the job in order to prevent an interruption of the lunch period.
- b) All production and direct support departments will work straight-time except those lines that require a product or size change. On those shifts where a one-half (1/2) hour lunch is scheduled, it shall be started between the third and fifth hours of the scheduled shift.
- c) Packaging employees may be required to stay up to eighteen (18) minutes at the end of their shift to participate in shift hand-off activities.

Section 8. Scheduling Procedure: This section applies to Unit II employees, with the exception of the Packaging Department. See Addendum A – Scheduling procedure for Packaging Department Employees. When plant seniority brings employees into the plant, they will be scheduled on the available jobs as follows:

- a) Employees with bid jobs are assigned first by bid position. Those selected are assigned to shift by plant seniority, taking into consideration shift preference and/or waivers. All bid jobs will first be filled by bid holders.
- b) An employee without a bid job or whose bid job is not available will be assigned to the highest rated job available on the shift of their choice in keeping with plant seniority and qualifications. Non-bid people will be assigned after bid job holders have been assigned.
- c) It is the employee's responsibility to check the schedule on a daily

basis to see where he or she is working. If the employee is laid-off out of seniority and qualified to perform the job of a junior employee, the employee scheduled to be laid-off must notify the Scheduling Office or his or her supervisor on the 2nd or 3rd shift prior to leaving the plant. Employees scheduled to work out of seniority will be listed along with the regular schedule on a daily basis. Employees with the seniority will not be laid off as a result of the bid system if they are qualified to perform a job for which a less senior employee is scheduled. Such senior employees will first go to available work for which they are qualified. In the absence of available work, the senior employee may displace a bid holder of less seniority.

- d) Employees shall not be required to work without at least seven (7) hours off between shifts. It shall be the employee's option to work or be scheduled on the next shift if the employee is entitled to work that shift by seniority. Employees will be permitted to sign for back to back shift work (bid only).
- e) Except for seasonal assignments, employees may state their preference for start time for jobs in the same grade which their seniority, skill and ability would permit them to be scheduled on. Such requests will be granted if the employee notifies the Scheduling Office prior to the scheduling of the workforce, the time differential is at least one-half (1/2) hour and such assignment is not in conflict with this Section 8, Scheduling Procedure, or Section 10, Absentee Replacement.
- f) Semi-drivers shall be assigned under the Shipping Department schedule.
- g) When an employee has not been assigned to a job for one (1) year, they will have the right to retraining prior to being assigned to the job alone. Employees will have the option to request disqualification when they have not worked in a job for two (2) years. Employees who have not been assigned to a job for two (2) years who are approached by the Company and offered refresher training and refuse will be removed from the qualification list for the position.
- h) When a production line is scheduled for less than an eight (8) hour run, the employees scheduled and actively working will not be sent home involuntarily prior to the end of their scheduled shift. This does not apply to overtime situations.

#### Section 9. Excused Absence:

- a) In order to obtain an excused absence, employees must notify the Scheduling Office or their Supervisor at least one (1) hour before shift start providing an acceptable reason to the Company. It is understood that certain circumstances may prevent an employee from notifying the Scheduling Office until after the one (1) hour notification limit or after the shift starts; however, such instances must also be supported with a reason acceptable to the Company.
- b) Once an employee calls in sick and the employee is absent for three

- (3) consecutive days, the employee will not be scheduled until the Company is notified by the employee that he or she is ready to return to work.

- c) The Company will not excuse an employee during working hours for a doctor's appointment except for work related illness or injury unless notice is given prior to scheduling the day's production.

Section 10. Absentee Replacement: To improve the performance of the plant, it is the intention of both parties to minimize moves once a shift has started.

A. Absentee Replacement: Daily absentee replacements will be filled by the following procedure: If the employee reported absent after the department has started its scheduled shift, the Scheduler or Supervisor will replace the absentee employee in the department using the following priorities.

1. First, with an employee who has the next available bid position including those who have signed the call-in sheet providing no overtime is caused through the call in.
2. Second, with the most senior qualified employee scheduled that shift who has a start time of less than one hour from the starting time of the job vacancy. A senior qualified employee with a start time of one hour or more from the starting time of the job vacancy will not be moved to the vacancy, but will be paid the rate of the upgrade.
3. Third, after making one attempt to fill the job, the position will be filled with the most senior qualified available employee at that time, using the following priority, (who themselves do not need to be replaced); (1) Reconditioning/Export, (2) Call-in List, (3) Lay-off List.
4. Prior to upgrading a junior employee, employees assigned to manual case packing will be permitted to move to other Grade IV jobs on the production lines if they are qualified and there are qualified replacements available.

To meet the intent of this section, total moves will be limited to two, however, the Company will track those senior employees on the affected shift who would have actually moved to the higher grade and pay them the rate of the vacated position for which they were eligible.

If the employee reported absent prior to the department's scheduled shift start, the Supervisor will replace the absentee employee in the plant using the same priorities as above as long as only two persons are involved in the transfer and the other department is not inconvenienced by the transfer.

B. Meeting Replacement: When it is necessary to replace employees attending meetings under two hours, the replacements will be drawn from Reconditioning, Export or other positions which themselves do not need to be replaced. Additionally, the Company will identify those who would have actually moved to the higher grade and pay them the rate of the vacated position for which they were eligible. For meetings over two hours, the absentee replacement procedure will be utilized as noted above.

Section 11. Line Integrity: Once an employee has reported for work on the job assigned, the employee will not be permitted to move to another job to complete a full shift except as assigned by the Company to meet operating requirements. Once a production line has started, senior employees will not be permitted to displace junior employees for the purpose of completing their shift or for unscheduled overtime, except as specified in Article VII, Section 12, paragraph a.

Section 12. Unscheduled Overtime:

- a) If it is determined that one (1) hour or more overtime is available in any department, the senior qualified employees who have not completed their shift in that department and in the plant will be offered the unscheduled overtime. The Company will not pay employees for any waiting period which may occur as a result of this requirement.
- b) It is understood that senior employees outside the department do not have the right to displace a junior employee for unscheduled overtime. The Company will not pay employees for any waiting period which may occur as a result of this requirement.
- c) It is understood that unscheduled overtime should not be more than four (4) hours.

## ARTICLE VIII

Job Evaluation and Classification Plan

Section 1. Job Evaluation: The Union agrees to the principle and method of job evaluation and the Job Evaluation and Classification plan now in effect at the plant as the basis for determining and maintaining proper job-rate differentials for all jobs covered by this Agreement.

Section 2. Job Reclassification: The Company may from time to time review job descriptions and re-evaluate and reclassify jobs into higher or lower labor grades if such reclassification is warranted by a substantial change in job content. The Company may also establish, evaluate and classify newly created jobs into appropriate labor grades; pending completion of such evaluation and classification, the Company may establish temporary rates for newly created jobs. Prior to putting into effect any reclassification of existing jobs or any new classifications, the Company shall obtain the accord of the Union or define the basis for grievance.

Section 3. Job Evaluation Request: Upon the written request of the employee, signed by the Committee Representative and the Chief Steward, the Company Job Analyst will re-evaluate jobs commencing within two (2) weeks of the request and completing the evaluation no later than four (4) weeks following the original request. The request must state the changes in the job which the employee believes justify the re-evaluation. The Company will discuss the results of the evaluation with the Chief Steward and Committee Representative involved.

## ARTICLE IX

Seniority

Section 1. Probationary Period: Any employee now or hereafter employed shall be considered temporary and on probation until such employee shall have actively worked for the Company for ninety (90) working days prior to and subsequent to seasonal operations. Seniority shall accrue from the date of hire upon completion of the probationary period.

Section 2. Seniority Units: For the purposes of day-to-day operation, employees who have attained seniority status shall be divided into two (2) separate and distinct units, as follows:

- a) Unit I - Shall consist of all employees in the Maintenance Department who are classified as Technicians, Mechanics AA, A, B, C, or Mechanic Trainee, Power Plant & Refrigeration Operator, Stockroom Clerk, Fireman-Watchman, Refrigeration Operator, Utility Maintenance, Painter, and Waste Treatment Technician.
- b) Unit II - Shall consist of all other employees covered by this Agreement who are not expressly included in Unit I.

An employee shall enjoy seniority status only in the unit to which he or she is assigned by reason of the nature of his or her job as specified above.

The seniority standing of an employee in either unit shall be based upon the length of such employee's service with the Company at the plant since the date of accrual of his or her seniority. An employee will carry seniority in no more than one (1) unit at a time.

Employees in Unit I will be given performance reviews every twelve (12) months until the top maintenance rate is achieved.

Section 3. Layoff and Rehiring: Layoffs and rehiring of employees shall be performed in accordance with seniority and the employees' ability (including his or her previous experience) to perform the work required on the jobs available. A junior employee who has been awarded a bid job and is in the process of training to become qualified on such job will continue to be scheduled during such training, even if their seniority would otherwise have resulted in their being laid off.

Employees returning from a layoff as an absentee replacement will be assigned to the available jobs, but not necessarily to their bid jobs. Employees eligible for their bid jobs but assigned to the available openings will receive their bid rate for the day. Employees ineligible for their bid job would receive the rate of the job assigned.

In the case of senior employees who are not qualified to perform other Unit II jobs, the employee may be trained to perform such jobs if they have been laid off thirty (30) cumulative work days in the most recent ninety (90) calendar days.

It will be the employee's responsibility to request training if eligible and interested.

Eligible employees will be trained to perform the jobs presently held

by the least senior employee. Training will continue on an uninterrupted basis (except when operating conditions, such as absentee or vacation replacement, require the employee to be scheduled elsewhere) until the employee is fully qualified.

An employee who requests this training opportunity, once trained, must perform the job when requested at anytime within a one (1) year period.

No more than three (3) employees will be in training at any one time. Trainees will be selected on the basis of seniority, skill and ability.

Employees who hold the bid job of Janitor and Scrubber will be scheduled on their bid job if work is available. Senior laid-off employees may displace the junior bid holders by stating their request in the Scheduling Office.

Sign-ups for voluntary layoffs of at least one (1) week but less than three (3) months in duration will be permitted on a weekly basis. Layoffs will be granted by seniority provided sufficient employees remain with the skills and qualifications necessary to support business requirements.

Section 4. Job Posting: Refer to Addendum A for details of Packaging Department bid changes. All job openings of new classifications shall be posted for a period of not less than three (3) working days to give those regular employees with seniority, who at the time, may be laid off, an opportunity to bid on such jobs. The regular employees receiving the job shall be notified within five (5) days and the results posted on the bulletin board. Once a regular employee has qualified for a job that has been posted, he/she will be required to stay on that job whenever the job is available for not less than **twelve (12)** months after being qualified before being permitted to answer another posting. Employees will be limited to one bid award within a year, unless such a move would result in an upgrade. (Any training will constitute a bid award).

If no regular employee expresses interest in a bid that has been posted, the Company may assign a probationary employee to train and work in the job during their probationary period. Upon successful completion of the employee's probationary period, such employee, if qualified, will be awarded the job and becomes the bid holder.

Initial training for bid jobs will take place on the shift that the awarded bid holder would eventually work once qualified.

The employee will be allowed to sign off the posted job and return to his or her original job status provided the exercise of this right occurs within five (5) working days (on the job) for jobs in Grade I and II and two (2) working days (on the job) for all other jobs. Employees currently qualified on a job will not be permitted to sign off once they accept the bid.

If it is determined that the employee is not performing satisfactorily, the Company may remove the employee from the bid job. If such removal takes place within the first thirty (30) calendar days, the employee will be permitted to return to his or her original job status.

In the event the awarded employee rejects the assignment, the next senior employee who signed the initial posting will be awarded the bid job in accordance with Article IX, Section 5, Skill and Ability.

All jobs except new classifications will be posted only if used on a regular basis.

#### Section 5. Skill and Ability:

a) It is recognized that the Company shall be responsible for determining the qualifications of an employee to perform the work available and of the skill, ability and employees' ability to perform the essential functions, by the use of standard tests and other criteria such as education, previous experience, performance evaluation, work record and physical examination. A committee made up of the Chief Steward, Department Steward a bid holder, a representative from Human Resources and a departmental supervisor will review current tests and any new tests added during the term of the agreement for appropriateness for the job bid. All such decisions are subject to review under the grievance procedure.

b) When all pertinent factors, as outlined in paragraph a) above, are equal in the case of two or more qualified employees who have answered a job posting, such promotions or transfers shall be made on the basis of seniority.

c) Employees believed by the Company to be incompetent for any particular operation or job will be given an opportunity to try such operation or job before being judged to be incompetent by the Company, unless the employee has been disqualified within the previous year or is not qualified due to inability to perform the essential functions of the job or other apparent reason. Job trials in Seniority Unit I apply to jobs in job grades I through IV and Maintenance Trainee only, subject to the provisions outlined in Article IX, Section 5 a).

#### Section 6. Leave of Absence:

a) An employee desiring a leave of absence must request permission in writing from the Company. A copy of the initial request and of the Company's approval, if granted, must be forwarded to the Union.

b) Periods of leave of absence shall be governed by the provisions of the Company's regular leave of absence policy. The Company's leave of absence policy will adhere to the provisions and obligations of the Family Medical Leave Act of 1993, **as amended**. Anyone severely impacted by a catastrophic life event shall be granted an unpaid Leave of Absence, upon request, of reasonable length, in accordance with this Article, provided the affected employee has exhausted all available vacation days. (Employees will not be required to use their sick day[s].)

c) During the period of the absence, the employee will not engage in gainful employment in another Company.

d) An employee must make arrangements for medical plan coverage at his or her own expense if coverage is to be continued beyond thirty

(30) days before such leave will be granted.

- e) Employees who enter the military service of the United States shall be granted leave of absence and re-employment and reinstatement rights in accordance with federal and/or state law, the provisions of the union contract and Company leave of absence policy in effect at the time the individual enters the military service. At the time of entering military service the Company will inform the individual of Company policy regarding leave of absence; however, it will be the individual's responsibility to be informed of state and/or federal laws regarding re-employment and reinstatement as they apply to him or her.
- f) Members of the Union who are required to attend a Union Convention necessitating a leave of absence shall, upon application, be granted a leave of absence under the Company's regular rules for leaves, for a period not in excess of one (1) month in any calendar year; provided, however, that not more than three (3) members of the Union shall be absent at one time for this purpose.

Members of the Union who are employed full time by the Local Union shall, upon application, be granted a leave of absence by the Company and upon application will be reinstated to a job commensurate with their seniority, skill and ability. Such employees shall accumulate seniority as of the date of commencement of the leave of absence. All Company benefits will be suspended during this period and will be reinstated at the time the employee returns to active employment with the Company, as provided above.

Failure to comply with the above provisions will result in loss of seniority for the employee involved.

Section 7. Continuing Seniority: An employee shall accrue seniority during any of the following periods:

- a) While unable to return to work by reason of a temporary total disability incurred in the course of employment at the plant which disability is compensable under the applicable Worker's Compensation Law;
  - b) While on a layoff due to lack of work, or
  - c) While on a Company-approved leave of absence.
- Any employee shall retain his or her seniority status as of the date of transfer by the Company as a "Supervisor Trainee". Seniority will not accrue during the period of transfer.

Section 8. Loss of Seniority: The seniority of an employee shall terminate upon the occurrence of any one of the following events:

- a) If the employee quits; or
- b) If the employee is discharged; or
- c) If the employee is laid off in excess of eighteen (18) calendar months; or
- d) If a laid-off employee fails or refuses to report to work within three

- (3) working days from the receipt of a registered letter mailed by the Company to the last address furnished to the Company by the employee. (Five (5) working days notice from the date of receipt of such notice will be provided employees laid off in excess of ninety (90) calendar days); or
- e) If, without the approval of the Company, the employee is absent from work for three (3) consecutive working days; or
- f) If the employee fails to report for work at or before the termination of a leave of absence.
- g) If the period of assignment as a Supervisor Trainee exceeds three (3) months or the period of assignment as an Office & Technical employee exceeds three (3) weeks. Employees assigned as a Supervisor Trainee will have one (1) opportunity to retain their seniority as noted above; employees accepting assignment as an Office & Technical employee shall be allotted two (2) opportunities to retain their seniority.
- h) If an employee placed on a non-occupational disability fails to return to work at or before the completion of a twelve (12) month leave of absence, not including the period covered by disability benefits. In the case of a work related disability an employee who is absent from work greater than forty-eight (48) consecutive months.
- i) If an employee retires.

Section 9. Super-Seniority: Top seniority for the purposes of lay-off and recall shall be accorded to the Chief Steward. Employees who are members of the Shop Committee will be accorded top seniority if and when their departments are working and will be assigned to their respective departments if qualified to perform available work in that department.

Section 10. Shift Preference: Employees with the higher seniority shall be given an opportunity to state their preference for shift work and such request will be honored by the Company in making shift assignments, provided, that such assignment will not jeopardize the operations because of inequalities in skill, ability, and physical fitness.

Employees who have registered a shift preference will maintain this preference for not less than one (1) calendar month. Employees with a shift preference who wish to work on the "off shift" must notify the Scheduling Office prior to scheduling the day's production.

If an employee has a shift preference and does not have the seniority to work that shift, the employee shall have the right to sign a sheet in the Scheduling Office on a daily basis and be called in to work as an absentee or extra replacement before a lower seniority or probationary employee, and moving them to their shift preference will not jeopardize the operation because of inequalities in skill, ability, or inability to perform the job's essential functions. Employees initially assigned to their bid jobs on an "off shift" will be considered as an absentee replacement for their bid job only, if it becomes

available on the preferred shift.

If an employee would like to waive his/her bid for shift preference, the employee can waive to the next available bid employee in line, provided the bid holder is junior. Additionally an employee can waive his/her bid to a higher seniority bid holder who is next in line, provided it will place that employee in that open job. The higher senior bid holder will not be permitted to bump for another shift. The senior employee will have the option to take the job or not take the job. *Employees who want to use a bid waiver must let Scheduling know forty-eight hours in advance, by 8:00 a.m.*

Section 11. Application of Seniority: Seniority shall be relevant only for the purposes, and to the extent, expressly provided in this Article IX.

Section 12. Group Leader: Assignment of employees to the job classification of Group Leader may be made on a long term or temporary basis. Employees assigned to this classification will retain and accumulate seniority in their respective units and will remain members of the bargaining unit. Temporary assignments are those which continue for no longer than three (3) months. Interested employees will be considered for openings in seniority order, based on skill and ability as determined by management. All such decisions are subject to review under the grievance procedure.

If assignment to Group Leader exceeds three (3) consecutive months, the employees thus assigned must yield bid rights on any posted job assignment held and their former bid will be posted and filled per Article IX, Section 4. **Job Posting.** In the event an employee's assignment as Group Leader is permanently terminated, the employee's original bid rights on the posted job vacated in order to accept assignment as Group Leader will be restored.

Such employees will perform work under the direction of the Supervisor only to the extent that performance of such work on any job which falls within the scope of the bargaining unit shall not result in a layoff of any other employee as defined in Article I and will supervise the work of other employees but they will have no power to hire, fire, or discipline employees nor to recommend the same nor will they be held responsible for the handling of grievances, administering of job rates or determination of hours of work or other working conditions.

In the assignment of Group Leader that employee will not adversely affect a senior employee for shift preference. Shop stewards will not be permitted to hold Group Leader positions. All employees assigned as group leaders will receive Grade I pay plus \$1.00/hour.

Section 13. Elimination of Job Classification: Employees whose job classification is eliminated will be allowed to return to their previous bid job and assume their previous bid position or will be allowed to go to any bid job that has been posted while they held the job classification that has been eliminated and will be assigned to such posted job in accordance with the provisions outlined in Article IX, Section 4 and 5.

Section 14. Bid Posting: The bid position for all bid jobs posted after June 7, 1990, will be determined by date of bid award. Any employee presently having a bid position will retain this position in their present order and would progress to the next number in sequence when openings occur, until he or she relinquishes the position by signing off or bidding on another job. Employees bidding on another job may return to their original numerical sequence within the limits as outlined in Article IX, Section 4. Article IX, Section 13 will continue to apply in all job eliminations.

After June 7, 1990, the new bid holder will be placed in line according to his or her date of bid award behind the bid holders of record prior to June 7, 1990. The Company will provide the Shop Committee an updated list of bid job holders every six months. When an employee becomes qualified for a bid job, the Company will notify the employee and the Chief Steward.

**If, for any reason, an employee signs off a bid job, the employee will not be permitted to bid on that job for a period of sixty (60) days, unless it is agreed to by the Company.**

#### ARTICLE X

##### Vacations and Holidays

Section 1. Vacation Qualifications: An employee who has worked a total of twenty-four (24) weeks during his or her immediately preceding anniversary year of employment, shall be entitled to a vacation with pay during the following anniversary year in accordance with his or her years of continuous Company service according to the following schedule. Partial weeks worked count as full weeks in determining eligibility for vacations. Absence due to a worker's compensation disability for a one (1) year period beginning on the date of the lost time disability will count as time worked in determining eligibility for vacations. If such lost time disability or recurrence of such disability exceeds one (1) year, a maximum of ten (10) weeks credit in an anniversary year would apply towards eligibility qualifications. Absence due to sickness requiring hospitalization within thirty-five (35) calendar days from the last day of work will count as time worked in determining eligibility for vacation. Employees who work at least twelve (12) weeks but less than twenty-four (24) weeks during an anniversary year will receive one-half (1/2) of the total vacation allowance they would have earned based on their years of service, if they would have satisfied the twenty-four (24) week requirement.

After 90 days, but less than 2 years	40 hours
After 2 but less than 7 years	80 hours
After 7 but less than 15 years	120 hours
After 15 but less than 22 years	160 hours
After 22 years	200 hours

As used in this Article the term "anniversary year" means a period of one (1) year from date of accrual of seniority of the employee, as defined in Article IX of this Agreement, or an anniversary thereof. The term "year of continuous

Company service" means an anniversary year in which the employee suffered no break in seniority. Causes resulting in broken seniority or Company service are as listed in Article IX of this Agreement. Employees can carry over up to one (1) week of vacation for three (3) months past their anniversary date.

Section 2. Vacation Schedules: Vacation schedules will be established by the Company **four** times per year, **October (for the following calendar year January through December)**, November (for the period of January through April), March (for the period of May through August), and July (for the period of September through December). Insofar as operating conditions and business needs permit, the Company will endeavor to comply with the requests of employees for specific times for their vacation. (Once a vacation is scheduled and approved in accordance with the cutoffs outlined above, it will be locked in for the scheduled period).

Vacation allotment not scheduled via the process outlined above may be scheduled by seniority prior to the first of each month for the following month (i.e. November 1<sup>st</sup> for the month of December). Approved vacation will be locked in. **On a daily basis, a minimum of twenty (20) employees will be granted vacation in Unit II and a minimum of five (5) employees will be granted vacation in Unit I.**

Additional vacation openings will be filled on a first come first serve basis up to the established quota in effect at that time. Once approved, vacation will be locked in.

#### Single Day Vacations:

Vacation will be granted in minimum eight (8) hour increments. A maximum of three (3) days per year may be utilized for payment for a call off. Single day vacations need to be scheduled by 9 AM the Wednesday of the week before.

#### Emergency Vacations:

Requests for last minute emergency vacation days will be considered on a case-by-case basis, as long as it does not result in any forced overtime.

Section 3. Vacation Pay: Vacation pay shall be computed on the basis of the employee's averaged straight time hourly rate for the two (2) work weeks preceding the vacation. Shift differential will be included in vacation pay computation as applicable. Employees with three (3) weeks eligibility may be permitted to sell back one (1) full week of vacation each anniversary year. Employees with four (4) weeks eligibility or more may be permitted to sell back a maximum of two (2) full weeks each anniversary year. Employees may receive payment in one (1) week increments only, when requesting the sale of vacation time. Employees who request and are paid vacation pay in advance for their vacation period will not be permitted to work overtime during their vacation period.

Section 4. Holidays: The following days shall be considered holidays whenever they occur between Monday and Friday both inclusive:

New Year's Day	Thanksgiving Day
Good Friday	Friday after Thanksgiving
Monday after Easter	Day before Christmas
Memorial Day	Christmas
Fourth of July	Day before New Year's Day
Labor Day	Personal Holiday

The Company and the Union Bargaining Committee may enter into an agreement to reschedule a designated holiday in order to provide a four (4) day weekend. The Personal Holiday must be scheduled at least 48 hours ahead of time, *by 8:00 am, prior to the requested day.*

Employees will be eligible to qualify for the Personal Holiday ninety (90) days after the attainment of seniority. Employees who are granted a Personal Holiday in accordance with the vacation scheduling guidelines on a Friday cannot be drafted to the weekend schedule.

Section 5. Saturday and Sunday Holidays: When any of the holidays fall on a Sunday, the following Monday shall be recognized as the holiday. In the event any of the holidays fall on a Saturday, the previous Friday, or an alternate day mutually agreed to shall be recognized as the holiday.

Section 6. Holiday Qualifications: An employee shall be eligible for holiday pay with respect to any day designated as a holiday in accordance with Sections 4 and 5 above, provided:

- a) Employees who are scheduled and actually at work the workday immediately before and/or the workday immediately after the holiday. Employees who sign to work, are scheduled and actually at work on the holiday itself, if work is scheduled.
- b) Employees not scheduled to work the workday before and/or the workday after the holiday will be eligible for holiday pay providing they have worked a minimum of eighty (80) hours in the thirty (30) working days immediately preceding the holiday.
- c) The employee was not absent on the day(s) specified in paragraph a) above unless due to previously scheduled vacation, death in the immediate family covered under Article XI, Section 4 or non-occupational illness or injury proved by a doctor's certificate. In cases where employees are receiving non-occupational disability benefits on the workday immediately before and after the holiday, paragraph b) qualifications as listed above must be satisfied. Employees on Worker's Compensation disability the workday before and after the holiday will not be eligible for holiday pay.

Section 7. Holiday Pay: An employee eligible for holiday pay with respect to a designated holiday shall receive as holiday pay an amount equal to eight (8) hours of pay computed on the basis of the employee's average straight time hourly rate for the two (2) weeks preceding the holiday. Shift differential will be included in holiday pay computation as applicable. Where other

Company benefits are paid on the day recognized as the holiday, this will be deducted from holiday pay.

Section 8. Holiday Work: An employee who is called in or requested to work on a recognized holiday will be paid double time his or her regular straight time rate for the work performed in addition to any holiday pay for which he or she may be eligible.

Fireman-Watchman will receive holiday pay in accordance with the provisions outlined in Section 6, on the basis of considering the sixth (6th) consecutive day during the week as Saturday and the seventh (7th) consecutive day during the week as Sunday. The sixth (6th) and seventh (7th) day are determined by the starting day of their five (5) day work schedule.

Section 9. Holiday During Vacation: If a paid holiday falls within an employee's vacation period, the employee shall be granted an extra day's vacation.

#### Section 10. Returning From Vacation:

- a) If an employee returns from vacation and comes into the plant during business hours (while the Scheduling Office is open) to check the schedule, the employee must notify Human Resources of this fact. Once notified, the Scheduling Office will contact the employee of any subsequent changes.
- b) If an employee calls the plant during business hours (while the Scheduling Office is open) to find out where he or she is scheduled, the call must be referred to the Scheduling Office. If the schedule is subsequently changed, the employee will be notified.
- c) If the employee asks another employee to check the schedule, the employee checking the schedule must notify the Scheduling Office. If the schedule is subsequently changed, the Scheduling Office will notify the individual who checked the schedule for the employee returning from vacation.

### ARTICLE XI

#### Benefits

#### Section 1. Hospital & Surgical Benefits:

The Company will continue to provide medical coverage for employees and eligible dependents under the Welch Foods Blue Cross/Blue Shield, Blue Care Elect PPO Plan or equivalent plan coverage for the term of this agreement.

Effective January 1, 2013, the plan will be modified to provide the same benefit levels as provided in the Welch Salaried Plan (Blue Care Elect Preferred PPO) for the remaining term of the agreement. Annual deductibles and Co-Insurance Payments to be changed effective 1/1/13 as follows:

- 80/20 in network; 60/40 out of network
- \$10/\$20/\$35 prescription drug co-pay
- \$20/\$40/\$70 co-pay for 90 day supply via mail order

- Annual Deductibles:
- Single - \$300
- Dual Coverage - \$600
- Family - \$900
- Out-of-Pocket Maximum - \$2000/\$4000/\$6000
- Emergency Room Deductible - \$100
- Out Patient Surgery Deductible (Other than in Doctors Office) - \$250
- Premiums to be deducted on a pre-tax basis weekly.
- Required medical contributions for eligible employees and their dependents **13% effective 6/6/16; 15% effective 6/1/18.**

Claimants who are covered under other group insurance plans will first submit their claims to their other plans for payment prior to submission under this Company's plan. In no case will the benefits paid to a claimant exceed the actual expenses incurred.

The Company will pay the premium for Blue Cross/Blue Shield coverage for one (1) month for employees on leave of absence from the effective date of such leave of absence. If the employee is on lay-off status, the Company will pay the premium for three (3) months beginning with the date of lay-off. If the employee is on non-occupational disability status or Worker's Compensation status, the Company will pay the premium for six (6) months beginning with the date of disability status or Workers Compensation status.

Each year, employees will be permitted to opt out of coverage under the medical plan in exchange for an annual payment of one thousand (\$1,000) dollars (effective January 1, 2009). In order to opt out, employees must provide sufficient proof of coverage under a spouse's plan each year. In the event an employee's spouse loses coverage they will be permitted to re-enter the Welch Plan without restrictions on any pre-existing condition. Employees are required to inform the Company immediately upon notification of their loss of coverage.

Should the Company find it necessary to change carriers and/or plans during the term of this agreement, the benefit levels will remain substantially the same or provide more coverage for the same or less premium.

Section 2. Vision and Dental: The Company will provide the Western Pennsylvania Teamsters and Motor Carriers Vision Care Plan and Dental Plan - Schedule D for eligible employees covered by this Agreement. Employees with three (3) calendar months of service beginning with their seniority date will be considered to have met initial eligibility requirements. Further participation requirements as defined by the Western Pennsylvania Teamsters and Motor Carriers Welfare Fund Trustees will apply. Effective July 1, 2016, following attainment of three (3) calendar months of Company service beginning with an employee's seniority date, the Company will contribute \$60.71 per month for each eligible employee who works at least one (1) day per month. If required, the Company will contribute up to an additional \$1 per month for each eligible employee effective 7/1/2017, 7/1/2018, and 7/1/2019. In the event an increase is not required in any contract year, it will be carried over for the term of the

agreement. The Company will also make the above contributions for one (1) month for eligible employees on leave of absence from the effective date of such leave of absence. If the eligible employee is on layoff status, the Company will make the applicable contribution for three (3) months beginning with the date of layoff. If the employee is on non-occupational disability status or Workers Compensation status, the Company will make the applicable contribution for six (6) months beginning with the date of disability status or Workers Compensation status.

Section 3. Group Life Insurance: As of the effective date of this Agreement, group life insurance coverage, in the amount of **\$22,500**, will be provided to each eligible regular full-time employee with six (6) months of Company service, in accordance with the provisions of the Company's Group Life Insurance Plan. The amount will change as follows during the term of the agreement: **Effective 6/7/17 - \$23,000**; **effective 6/7/18 - \$23,500**; **effective 6/7/19 - \$24,000**.

Section 4. Death in Immediate Family: An employee who is absent because of a death in the immediate family, (husband, wife, child, mother, father, grandparents, foster mother, foster father, sister, brother, grandchildren, stepfather, stepmother, father-in-law, mother-in-law, brother-in-law, sister-in-law, and relatives residing in the employee's household) in order to be in attendance at home and at the funeral during a maximum of three (3) consecutive scheduled working days, shall be paid for such time lost from work on a straight-time basis at his or her straight time hourly rate in the current pay period, up to but no more than eight (8) hours for each day of authorized absence. In no event will he or she be paid for more than a maximum of three (3) working days. Any of the first three (3) days (including or following the date of death and ending with the date after the funeral) shall be allowed as the authorized absence with pay. In the event of unusual circumstances that may merit an exception to the consecutive day provision above, a request for such exception must be submitted to and approval obtained from the Plant Human Resources Manager.

An employee who is absent due to the death of his/her daughter-in-law or son-in-law will be paid bereavement benefits for one (1) day.

Employees who are not scheduled to work because of a death in the family will not be permitted to work overtime during those paid days.

Section 5. Retirement Plan: The Company will contribute the amounts listed below, commencing on the dates specified, for each week an eligible employee works at least sixteen (16) hours, (including vacation, compensable injuries, holidays and absence due to personal disability covered under the Company's disability benefits program). Employees who are absent due to a compensable injury will continue to be eligible for retirement plan contributions for an eighteen (18) month period.

<b>Effective 6/7/16</b>	<b>Effective 6/7/17</b>	<b>Effective 6/7/18</b>	<b>Effective 6/7/19</b>
<b>\$107 per week</b>	<b>\$113 per week</b>	<b>\$120 per week</b>	<b>\$127 per week</b>

An eligible employee is defined as a regular employee who has attained Union membership under Article V, Section 1 and seniority status under Article IX, Section 1 of the Agreement and who meets an initial qualification of working at least one thousand (1,000) aggregate hours in any twelve (12) month period.

It is understood that regular employees will retain their enrollment in the plan, once obtained, and be subject to its provisions provided they retain seniority status in accordance with Article IX, Section 7 of the Labor Agreement. The Company will cancel its Employee Pension Plan for bargaining unit employees, except that employees with vested rights in effect on June 1, 1967, will be eligible to receive the vested rights in effect on June 1, 1967 under the regular provisions of the Employee's Pension Plan. Effective June 7, 1988, no mandatory retirement date will apply.

Section 6. Sick Pay: All regular employees who have completed **six (6) months** of service but less than **one (1) year** of service shall be eligible for one (1) sick day. All regular employees who have completed **one (1)** or more years of service shall be eligible for two (2) sick days. **"Paid sick days will be granted on the employee's anniversary date."**

It is understood that sick pay is to be used for personal illness only. Employees may schedule sick days, in advance, for documented medical or dental appointments. Allowable days are not cumulative and will be paid out if not used during the contract year.

Section 7. Non-Occupational Disability Benefit Amounts & Employee Contributions: Regular employees may elect non-occupational disability benefit coverage as listed below. The maximum duration of benefit coverage is twenty-six (26) weeks. In no event shall an employee receive more than twenty-six (26) weeks of benefits per anniversary year or during any one period of disability.

The benefit amount is 60% of the employee's average weekly earnings for the highest eight (8) weeks of the twelve (12) weeks immediately preceding the disability, in which earnings occur, subject to the minimum and maximum of the plan. Employee contribution:  $\frac{1}{2}$  of 1% of weekly earnings up to a maximum of \$3.00/week.

**Effective 6/7/16 - Minimum Benefit - \$275/week**  
**- Maximum Benefit - \$425/week**

**Effective 6/7/17,** the minimum will be increased to **\$280/week**; the maximum will be increased to **\$430/week**; **effective 6/7/18,** the minimum will be increased to **\$285/week**; the maximum will be increased to **\$435/week**; **effective 6/7/19,** the minimum will be increased to **\$290/week**; the maximum will be increased to **\$440/week**.

An enrollment period will be available to all regular employees during the month of June only, on an annual basis. New employees may enroll at the time of attainment of seniority.

It is understood that employees may choose not to participate; however, once a choice is made it must remain in effect for the duration of the Agreement.

An employee may cancel his or her coverage at any time but once canceled, the coverage cannot be renewed during the life of the Agreement.

Weekly disability benefits under this Section will be payable on the same basis as they are payable in the case of accident or hospitalization when the employee elects to have outpatient surgery under the Blue Cross/Blue Shield Point of Service Program and is subsequently disabled.

Family Medical Leave Act (FMLA), disability papers to be available at all times in the Human Resource Office.

Section 8. Retiree Benefit Coverage: The Blue Cross/Blue Shield, Blue Care Elect PPO Plan, or equivalent plan coverage, will be provided for qualified retirees who have retired since June 7, 1980 and are under age 65. Early retirees retiring on or after July 1, 2004 must be either: age 55 or greater and have completed a minimum of twenty(20) years of active service with Welch's, or age 60 or greater and have completed a minimum of fifteen (15) years of active service with Welch's to be eligible for retiree medical coverage, and will be responsible for a twelve (12%) percent premium contribution beginning January 1, 2012.

A qualified retiree is defined as an employee who terminates his or her employment with the Company and who is vested and receives a benefit under the terms of the Western Pennsylvania Teamsters and Employers Pension Plan and immediately begins to receive a pension upon termination of employment as determined under the terms of the Plan. Employees hired after June 7, 2012, will not be covered by this section and will have no eligibility for retiree medical coverage and are not eligible for any life insurance benefits contained in this section of the contract.

Blue Cross/Blue Shield's Medicare Supplement will be provided to qualified retirees, as defined above, who retire after June 7, 1980 and are age 65 or more. Qualified retirees desiring this coverage will be responsible for paying 50% of the regular monthly premium.

Term Life Insurance (non-cash value) in the amount of fifteen hundred (\$1,500) dollars will be provided to all qualified retirees who retire after June 7, 1980.

Term Life Insurance (non-cash value) in the amount of twenty-five hundred (\$2,500) dollars will be provided to all qualified retirees who retire after June 7, 1983.

Term Life Insurance (non-cash value) in the amount of three thousand (\$3,000) dollars will be provided to all qualified retirees who retire after June 7, 2000.

The Company will provide retiring employees with an official letter verifying the amount of their retiree life insurance coverage.

It is understood that, if a qualified retiree who is covered under the above plans and subsequently takes employment and is covered by other group hospital-surgical and/or life insurance programs or Medicare Supplementary programs, the coverage provided by Welch Foods will be subject to cancellation.

Should the Company find it necessary to change carriers and or plans

during the term of this agreement, the benefit levels will remain substantially the same or provide more coverage for the same or less premium.

Section 9. Jury Duty: All regular employees called for Jury Duty will receive the difference between eight (8) hours pay at their applicable hourly rate of pay (including shift differential) and the actual payment received for jury service for each day they would have been scheduled to work in contract year.

Time spent on jury service for each day they would have been scheduled to work will be considered as time worked for all purposes of Company contributions to health and welfare and pension plans, vacation and holiday eligibility and seniority in accordance with this Agreement.

Actual time spent on jury service (up to a maximum of eight hours per day) will be considered as time worked for overtime eligibility purposes. Employees must notify the Company of their desire to work.

## ARTICLE XII

### Grievances and Arbitration

Section 1. Handling Disputes: In case of any dispute between the parties to this Agreement as to their rights or obligations under any provisions hereof, the dispute shall be determined in accordance with the provisions of this Article XII.

Section 2. Aggrieved Party: In the event that either party to this Agreement considers the other party to have violated any provision hereof, the party which considered itself aggrieved shall submit its grievance in writing to the other party within three (3) working days after the date the act or omission complained of by the Company and the Union, or it shall be deemed to have been waived. If the aggrieved party is an employee he or she shall first discuss the matter with his or her Supervisor for resolution prior to submitting a written grievance.

Section 3. Grievance Procedure: In the event that either party submits a grievance to the other party in accordance with the provisions of Section 2 of this Article, representatives of both parties, shall meet and attempt to adjust the dispute in the successive steps listed below, so far as necessary. The aggrieved may be called as a witness, at the request of the Union or the Company in Step II or Step III hearings, to submit information pertinent to the grievance. The grievant may attend the Step IV meeting only in the case of a discharge.

Step I The grievance will be taken up between the employee with or without the Committee Representative, and his or her Supervisor the working day after the grievance is filed and a determination made within three (3) working days of the submission of the grievance.

Step II If the grievance is not settled it will be taken up on the next working day between the Chief Steward and the General Foreman or Production Superintendent and a determination made within three (3) working days from the time it is so taken up.

### Step III

If the grievance is not settled at the above level, it will be taken up at a meeting between the Shop Committee including the Chief Steward, and the Director of Plant Operations or his designated representative within five (5) working days from the time of the determination provided for in Step II above. The determination of the grievance at this level will be made within five (5) working days of the time it is so taken up.

### Step IV

If the grievance is not settled at the above level, it will be taken up at a meeting between a Union officer and a Company officer or representative within five (5) working days from the time of the determination provided for in Step III above. The determination of the grievance at this level will be made within five (5) working days from the time it is so taken up.

Replies of the parties and requests for continuance of the grievance at each Step of the above procedure must be made in writing within the time periods set forth. Grievance awards involving back pay must be received by the grievant within one (1) month of settlement.

**Section 4. Arbitration Procedure:** If the parties fail to reach a settlement, the dispute may be submitted to arbitration under the rules of the Federal Mediation and Conciliation Service. Either party may initiate such arbitration within fifteen (15) working days after Step IV, but not thereafter. The decision or award of the arbitrator shall be in writing and shall be final and conclusive upon the parties to this Agreement. The procedure set forth in this Article XII will not apply to any request or demand for a change in any of the provisions of this Agreement or to a request or demand for a change in rates of pay or wages established by this Agreement and properly payable under it, or to any request or demand for continuance, abandonment, replacement or installation of machinery, equipment or facilities of any kind, or to any complaint or dispute arising out of any such request or demand. The fees and expenses of the arbitrator shall be borne equally by the parties.

**Section 5. Waiver of Grievance:** Failure to submit a grievance in accordance with the grievance and arbitration procedure prescribed in this Article shall constitute a waiver of such grievance by the party which considers itself to be aggrieved and such party shall not be entitled to consideration of such grievance by arbitration or otherwise, but such party shall not be deemed to have waived a subsequent grievance of the same nature.

**Section 6. Powers of Arbitrator:** The arbitrator does not have the power to add to, subtract from or modify any of the provisions of this Agreement. This contract alone embodies the agreement between the parties on all bargainable issues and is the sole source of arbitrable claims. This contract may be amended only by written agreement of both parties.

In the event of the arbitration regarding the discharge of an employee, the arbitrator shall have the power in accordance with the circumstances to direct reinstatement or no reinstatement, with or without back pay, in whole or in part.

### ARTICLE XIII

#### Miscellaneous

**Section 1. Safety and Health:** The Company agrees to make every reasonable effort to provide for the safety and health of its employees at the plant during the hours of their employment, and the Union agrees to cooperate with the Company in the development of fair and just working conditions and in promoting the welfare of the employees and of the Company.

The Union recognizes the right and responsibility of the Company to protect the quality of the product by maintaining high standards of sanitation of plant buildings and equipment as well as the personal sanitation and appearance of the employees in keeping with Company and Regulatory Agency standards and requirements.

**Section 2. Tool and Personal Property Replacement:** The Company will honor requests from Maintenance Mechanics for the replacement of personal tools broken unavoidably on the job.

The Company agrees to replace or repair articles of personal property lost, damaged, or destroyed in connection with a bona fide Worker's Compensation injury to a regular employee, except for items of jewelry, rings, or wrist watches.

The Company agrees to repair or replace damaged lens or frames of Safety glasses destroyed on the job and presented to the employee's supervisor to verify the damage. Eye examination will not be paid for by the Company.

The Company will subsidize the purchase of safety glasses in the amount of \$2.00 per pair. The replacement of lens or frames and the Company subsidy of safety glasses is limited to once per contract year.

**Section 3. Supervision:** Supervisory employees and trainees who are not included in the bargaining unit shall not be assigned to production or maintenance work usually performed by the regular employees of the Company for the purpose of displacing said employees except for the purpose of instruction or in the case of an emergency.

**Section 4. Disciplinary Action:** The Union shall receive a copy of any disciplinary action issued to a member of the Union within three (3) working days of the incident. This does not apply to discharge as defined in Article III, Section 3. Verbal warnings will be confirmed in writing to the employee and copies issued to the Union. In the case of employees who have not received any discipline for 6 months from the date of an Initial Reminder, 6 months from the date of a Step I, 10 months from the date of a Step II or 14 months from the date of a Step III, letters issued for disciplinary action taken prior to those periods will not be used in current disciplinary action.


**Section 5. Non-Discrimination:** "The Company and the Union agree that they will not discriminate against any employee or prospective employee on the basis of race, religion, color, sex, national origin, age, **disability**, **protected veteran status**, **sexual orientation**, **gender identity** and **all other**

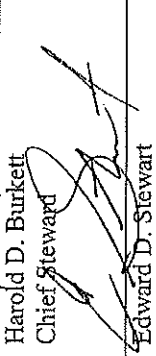
IN WITNESS WHEREOF, the parties hereto have a signed this Agreement this  
30<sup>th</sup> day of SEPTEMBER, 2016.

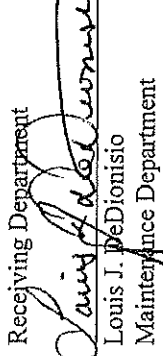
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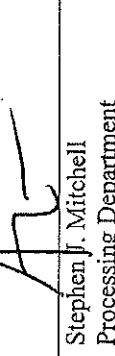
GENERAL TEAMSTERS  
 LOCAL UNION NO. 397  
 ERIE, PENNSYLVANIA  
 An Affiliate of the INTERNATIONAL  
 BROTHERHOOD OF TEAMSTERS

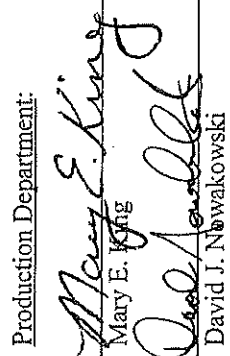
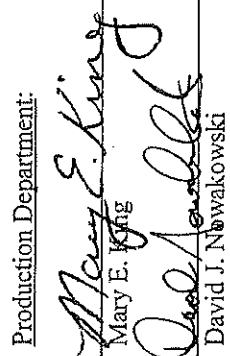
  
 Douglas A. Young  
 Secretary-Treasurer & Business Agent

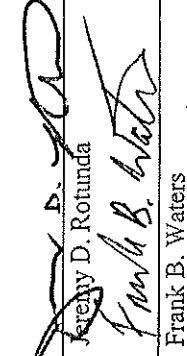
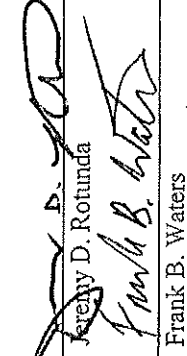
  
 Harold D. Burkett  
 Chief Steward

  
 Edward D. Stewart  
 Receiving Department

  
 Louis J. McDonisio  
 Maintenance Department

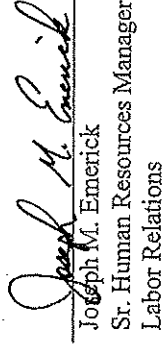
  
 Stephen J. Mitchell  
 Processing Department

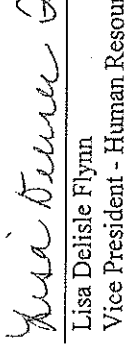
Production Department:  
  
 Mary E. King  
  
 David J. Nowakowski

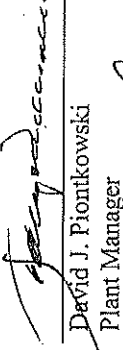
  
 Jeremy D. Rotunda  
  
 Frank B. Waters

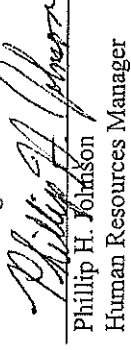
For the Company:

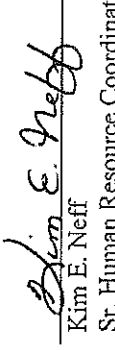
WELCH FOODS INC.

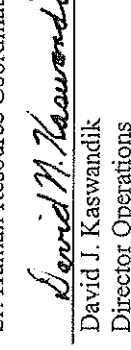
  
 Joseph M. Emerick  
 Sr. Human Resources Manager,  
 Labor Relations

  
 Lisa Delisle Flynn  
 Vice President - Human Resources

  
 David J. Piontkowski  
 Plant Manager

  
 Phillip H. Johnson  
 Human Resources Manager

  
 Kim E. Neff  
 Sr. Human Resource Coordinator

  
 David J. Kaswandik  
 Director Operations

categories covered by law as these terms are defined and interpreted under the provisions of Title VII of the Civil Rights Act of 1964, as amended, Section 503 of the Rehabilitation Act of 1973 as amended, the Age Discrimination in Employment Act, as amended, the Vietnam Veterans Readjustment Act of 1974 as amended, and Pennsylvania state law and Federal law that are not otherwise specifically noted in this section. Nothing herein should be construed as preventing the employer from complying with the Americans with Disabilities Act (ADA) of 1990 and The Americans with Disabilities Act Amendments Act (ADAAA) of 2008 as amended. The pronouns used herein are generic in nature and do not indicate a preference for one sex over the other. The Company and Union recognize and agree to comply with the ADA or ADAAA and will explore various ways to accommodate employees with qualified disabilities as determined by a physician, in accordance with State and Federal Law. Nothing in this paragraph is intended to interfere with the Union and Company rights under the grievance and arbitration procedures contained in this agreement.

Section 6. Inventory Assignment: If the Company utilizes bargaining unit employees for the purpose of inventory, the Company will pay these employees at the job Grade III rate and schedule them by plant seniority according to their skill and ability demonstrated by previous plant inventory experience. The Company will accept no more than two (2) untrained personnel for inventory assignment. It is understood that inventory assignment will be optional to the employee. To be considered for inventory assignment, untrained personnel must be proficient in reading, writing and arithmetic.

Section 7. Plant Closure: In the event of a partial or total plant closing, the Company agrees to comply with Federal and State Labor Law regarding effects bargaining.

Section 8. Counseling: When a discussion occurs that will result in an employee having a summary placed in his/her file, the employee and the chief steward will receive copies of the document that is placed in the employee's file.

#### ARTICLE XIV

##### Term of Agreement

This Agreement shall be and remain in force and effect from June 7, 2016 and shall continue in effect until 12:00 Midnight, June 6, 2020. If either party wishes to terminate this Agreement, it shall give sixty (60) days notice in writing prior to June 6, 2020. If neither party shall give such notice, this Agreement shall continue in full force and effect from year to year, subject to termination by either party on sixty (60) days written notice prior to June 6 of any subsequent year.

## RATE SCHEDULE

Hourly Rates of PayStraight Time Rate Per HourEffectiveLABOR GRADE AND  
JOB CLASSIFICATION

6/6/16 6/5/17 6/11/18 6/10/19

MAINTENANCE

Technician

\$27.44 \$27.99 \$28.55 \$29.12

Waste Treatment Technician

\$27.44 \$27.99 \$28.55 \$29.12

Mechanic AA

\$25.87 \$26.38 \$26.91 \$27.45

Mechanic A

\$25.65 \$26.17 \$26.69 \$27.22

Mechanic B

\$25.27 \$25.77 \$26.29 \$26.81

Mechanic C

\$24.45 \$24.94 \$25.44 \$25.95

Trainee

\$23.40 \$23.87 \$24.34 \$24.83

JOB GRADE I

\$25.29 \$25.79 \$26.31 \$26.83

JOB GRADE II

Stockroom Clerk A

\$24.89 \$25.39 \$25.89 \$26.41

JOB GRADE III

Stockroom Clerk B

\$24.05 \$24.53 \$25.02 \$25.52

JOB GRADE IV

\$23.26 \$23.72 \$24.20 \$24.68

PRODUCTION & PROCESSINGJOB GRADE I

Group Leader

\$23.69 \$24.17 \$24.65 \$25.14

Batcher – Processing

Production Utility

\$23.69 \$24.17 \$24.65 \$25.14

Reconditioning Utility

\$23.69 \$24.17 \$24.65 \$25.14

Tank Room Attendant

\$23.69 \$24.17 \$24.65 \$25.14

'72 Warehouse Coordinator

\$23.69 \$24.17 \$24.65 \$25.14

Utility/Inventory - Warehousing

\$23.69 \$24.17 \$24.65 \$25.14

JOB GRADE II

Automatic Case Packer Operator

\$23.39 \$23.86 \$24.33 \$24.82

Automatic Palletizer Operator

\$23.39 \$23.86 \$24.33 \$24.82

Carton Former Operator

\$23.39 \$23.86 \$24.33 \$24.82

Concentrator Operator

\$23.39 \$23.86 \$24.33 \$24.82

Depalletizer Operator

\$23.39 \$23.86 \$24.33 \$24.82

Eimco Operator

Filler Operator

Filter Press Operator

Heat Exchange Operator

**Labeler Operator**

Lift Truck Operator - Receiving

**Quality Control Inspector**

Processing Periodic Clean-Up

Production Relief Operator

Sanitation Technician

Third Floor Utility

Utility Relief – Cookroom

Utility Relief – Processing

Utility/Inventory/Lot Control - Cellar

JOB GRADE III

Case Depalletizer Lift Truck Operator

\$23.02 \$23.48 \$23.95 \$24.43

Lift Truck Operator

\$23.02 \$23.48 \$23.95 \$24.43

Processing Set-Up/Helper

\$23.02 \$23.48 \$23.95 \$24.43

Scrubber Operator

\$23.02 \$23.48 \$23.95 \$24.43

Utility Relief – Receiving

\$23.02 \$23.48 \$23.95 \$24.43

JOB GRADE IV

Hi-Cone Operator

\$22.19 \$22.63 \$23.08 \$23.54

Label Inspector

\$22.19 \$22.63 \$23.08 \$23.54

Line 5 Seaming Operator

\$22.19 \$22.63 \$23.08 \$23.54

Twin Pack Operator

\$22.19 \$22.63 \$23.08 \$23.54

JOB GRADE V

Janitor

\$18.81 \$19.18 \$19.57 \$19.96

Laborer – Processing/Cookroom

\$18.81 \$19.18 \$19.57 \$19.96

Unscrambler Operator/Empty Glass Inspector

\$18.81 \$19.18 \$19.57 \$19.96

JOB GRADE VI

Laborer – General

\$17.12 \$17.46 \$17.81 \$18.16

New Hire Progression Effective 6/7/08

\$17.12 \$17.46 \$17.81 \$18.16

1st Twelve Months

\$17.12 \$17.46 \$17.81 \$18.16

\$3.00 below schedule

\$1.50 below schedule

Eighteen Months

Full Rate

#### Addendum A – Scheduling procedure for Packaging Department

Effective 2<sup>nd</sup> Quarter, fiscal year 2009, Packaging Department employees will be scheduled as part of steady work groups by line combinations, which will be defined as: Lines 1 & 4, Lines 2 & 6, and Lines 5 & 7.

Based on a projection of upcoming production requirements, the Company will establish the number of core bid positions needed by line combination and shift, and will adjust this number accordingly as needs change. During the 2<sup>nd</sup> Quarter, fiscal year 2009, employees currently in the core positions of Filler, Labeler, Depalletizer, Packer and Production Utility will select a line combination by bid shift preference in seniority order (ex: Lines 1 & 4, Filler 1<sup>st</sup> shift). Employees will rotate within their line combination every four months. **Effective July 1, 2016**, employees will rotate within their line combination every **two (2) months** (ex: Line 1 will rotate with Line 4).

Once employees are established in these core positions, they will work on that line and in that position whenever that line runs on their shift bid preference, and will not be subject to being bumped by another employee unless they are the least senior person that the displaced employee has the qualifications to bump. Team members who hold qualifications on other jobs within the work group may be moved within the work group to fill vacancies that arise.

If an employee's home core position is not scheduled on their shift bid preference, the employee will be assigned to a different position on their shift bid preference, if available and in line with their seniority, in the following order: First, if a clean-up is taking place on their home line, the employee will be assigned to clean the line if needed; second, to any other positions on their shift bid preference that are scheduled as overtime that they are qualified to perform; third, to any other available work on their shift bid preference, including minor maintenance adjustments and assisting mechanics as required. As a last resort, the employee will displace the least senior employee holding a job in the department and on the shift that the employee is qualified to perform. Finally, if no such option exists on the employee's preferred shift, the employee will exercise their right to bump to their next shift of preference, using the same priorities as described earlier in this paragraph. Employees who do not have an option to work on their shift bid preference may request an excused day, provided there are sufficient junior employees to cover the schedule for the remainder of the day. An employee who holds a core bid will maintain their pay rate, even when they are assigned to non-core positions.

Other provisions of the process include:

- An employee's pay rate will be maintained when being scheduled in a non-core position.
- The absentee replacement provisions outlined in Article VII, Section 10 will not apply in Packaging. Employees will not move off of their core position to fill an open position on the same shift or another shift unless there is a need based on qualifications or business need. (See Packaging Utility Relief description below.)
- Daily overtime provisions will continue to be based on seniority and qualifications.
- Annual training will be provided to employees in core positions to allow them to maintain their qualifications in similar core positions on other lines. For example, a filler operator with a core bid on line 1 will be required to train annually on all other fillers on all other lines to maintain qualifications.
- The Production Relief Operator position will be used to backfill all positions on the line and provide relief and fill in as absentee replacements when needed. When not needed for these duties, they will be used to perform training activities, continuous improvement projects, maintenance audits, etc. The Company reserves the right to rotate assignments among the Production Relief Operator bid holders as necessary to maintain adequate skills.
- Packaging employees will not be allowed to waive their shift bid preference.
- Packaging employees in core jobs can no longer state their preference for start time.
- Production Utility will be upgraded to Grade I. Production Relief Operator will be upgraded to Grade II. All other core jobs will be paid Grade II.
- Carton Former Operator and Utility Relief Cookroom will be considered core positions effective Q4 FY'12 and will be scheduled in accordance with Addendum A.

#### MUTUAL AGREEMENTS REACHED DURING 2012 NEGOTIATIONS:

The Company will meet with the union to review any changes to the maintenance technician procedure prior to implementing such changes.

**Group Leaders:** The acting Chief Steward and department steward will be included in any interview process for group leader selection within the department.

After working eighty (80) hours of overtime, an employee may schedule an unpaid day off, scheduled in accordance with vacation guidelines. Employees must utilize an earned day prior to accumulating an additional eighty (80) hours or it will expire.

## MEMORANDUM OF AGREEMENT

## PART-TIME EMPLOYEES

This Memorandum of Agreement is effective concurrently with the term of the primary agreement between Welch Foods, Inc. and Teamsters Local 397. In order to better manage fluctuations in the production schedule and corresponding fluctuations in staffing requirements at the North East Plant, and in order to provide more stable work schedules and greater flexibility in vacation scheduling for regular full-time employees, the company and union agree to the addition of a part-time employee category subject to the following terms and conditions.

1. As a condition of employment, all part-time employees shall become members of the union no later than their thirty-first working day, after the beginning of their employment with the company. The company agrees to deduct dues on a monthly basis for any part-time employee who works three or more days in a month, and forward dues monthly to the secretary-treasurer of the union.
2. The total number of scheduled part-time employees at no time shall exceed 15% of the number of regular full-time employees. Part-time employees who work more than 420 hours in each of two consecutive calendar quarters will become full-time employees.
3. When the Company decides to hire regular full-time employees, consideration will be granted first to the part-time workforce in seniority order based on skill and ability. In the event that a part-time employee becomes a regular full-time employee, their company service dates shall be determined by the number of working days actually worked preceding the date they obtained regular full-time status.
4. Part-time employees, who have worked 150 hours from their original hire date, will receive eight (8) times their hourly rate of pay as holiday pay for all holidays recognized under the primary agreement provided they work the day before and/or the day after the holiday if scheduled; OR, if they are not scheduled either the day before or the day after the holiday, they actually work at least one day in the week in which the holiday falls. Part-time employees will not be eligible for any other benefits provided to regular full-time employees under the primary agreement.
5. In the event of a reduction in force, all part-time employees will be removed from the work schedule before any regular full-time employee is affected. In other words, no part-time employees will be permitted to work on days when any regular full-time employees are laid off. Part-time employees will be recalled from a force reduction in the order of their hire date on the basis of their skill and ability. Force reductions among part-time employees shall be achieved both on the basis of their hire date and according to the skill and ability of the individuals involved. Any part-time employee who is unavailable for recall three times in a thirty day period will be removed from the roster.

6. Training, job assignments and shift assignments for part-time employees will be made on the basis of skill and ability, according to business needs as determined by management. Part-time employees will not be utilized for Maintenance or Processing positions, except for Process Set-Up and Processing general labor.
7. The work week may consist of non-consecutive work days, including Saturday and Sunday. Daily and week-end overtime will be offered to regular, full-time employees before part-time employees. In all cases, part-time employees will not be allowed to displace regular full-time employees for voluntary weekend overtime assignments. Part-time employees will receive time and a half their normal rate of pay for all hours worked in excess of 8 hours in a work day, and for all hours worked in excess of 40 hours in a work week.
8. The normal rate of pay for part-time employees shall be \$12.00 per hour for their first 120 workdays. The hourly rate will increase to \$13.00 after working 120 days.
9. Nothing in this Memorandum of Agreement shall change any past practices or rules related to Seasonal operations.
10. No provision of the primary agreement shall apply to part-time employees except for the grievance/arbitration clause, which can be used only with respect to alleged violations of this Memorandum of Agreement.
11. Part-time employees will be scheduled after all regular full-time employees have been scheduled and will fill in the open jobs. Shift preference and highest labor grade will be given to regular full-time employees first.
12. With the execution of this agreement, the company agrees that it will utilize temporary contract labor in Unit 2 only in exceptional circumstances, and only after first meeting and discussing with the union the reasons for using contractors. However, if at any time the union feels the company has abused its right to use temporary contractors, it shall have the right to terminate the use of temporary contractors with ten days notice to the Company. Nothing in this Memorandum of Agreement shall be interpreted as in any way limiting or modifying the company's right to use contract labor for Unit 1 maintenance work or major construction projects.
13. Part-time employees may be disciplined, including termination, for any legitimate reason which, in the judgment of the company, is in the best interests of the company, subject to the grievance procedure as stated in #10 above.

The following is not part of the contract but is for each member's information.

#### ATTEND YOUR UNION MEETINGS

The regular membership meetings shall be held on the second Sunday of each month (excluding the months of June, July and August) starting promptly at 10:00 a.m.

The May meeting shall be the **first** Sunday of the month at 10:00 a.m. because of Mother's Day on the second Sunday.

Chapel meetings may be called at such times as deemed necessary by the President or Business Agent.

Read the notices on your Union Bulletin Board. They are for your information.

#### RULES REGARDING WITHDRAWAL CARDS

Any member who is terminated, laid off, quits, is ill, or goes on leave-of-absence may obtain a withdrawal card from the Local Union.

A Withdrawal Card may be obtained by:

1. Mailing \$.50 cents along with your Union Identification Card to the Union Office, 1344 East 11th Street, Erie, PA 16503.
2. Bringing in person to the Union Hall.
3. Giving \$.50 cents along with your Union Identification Card to the Union Steward or to your Business Representative.

Union dues for the last month worked must be paid to be eligible for a Withdrawal Card.

A Withdrawal Card is required to stop payment of your dues when you are off the job; otherwise you will be charged your dues the same as if you were working.

Any member in arrears in dues for three (3) months shall stand automatically suspended from all rights and privileges of membership at the end of the third month.

Any member suspended shall be required to pay a reinstatement fee of \$50 to be restored in good standing in the Local Union.